

## **Remarks**

The present response is to the Office Action mailed in the above-referenced case on August 08, 2007.

### **Rejections under 35 U.S.C. 112, first paragraph**

#### **Examiner's rejection**

As per claims 14-23, the independent claim recites "identification information in database accessible to the user." However, the specification does not mention that this database is accessible to the user. Instead, it recites that the database is accessible to the authentication server.

#### **Applicant's response**

Applicant herein amends the claims to correct the claim language. Therefore, the rejection should be withdrawn.

### **Rejections under 35 U.S.C. 112, second paragraph**

6. Claims 1-7 and 14-23 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

#### **Examiner's rejection**

As per claims 1-7 the independent claim recites "a method for a second operation of authentication a user and securing an ..." It is unclear why this would be a second operation. It is unclear what the first operation encompasses.

**Applicant's response**

Applicant herein amends the claim to remove the "second operation" language. Therefore, the rejection should be withdrawn.

The remaining rejections under 35 U.S.C. 112 have been corrected by amendment.

**Rejection under 35 U.S.C. 103(a)**

Claims 1, 14, and 23 are rejected under 35 U.S.C. 103(a) as being unpatentable over Landry et al US Patent No. 6,687,350 (hereinafter Landry), in view of Kia et al. US Patent No. 6,404,870 (hereinafter Kia).

**Examiner's rejection**

As per claim 1, Landry teaches a method for a second operation of authenticating a user and securing an online transaction over a telephone, comprising:

providing a card reader connecting a smart card to a telephone (col. 2 lines 25-30);

transmitting from the smart card at least an identification sequence for the user to an IRV server connected to a telephone line in the form of a modulated signal (col. 10 lines 25-30; col. 5 lines 1-22; col. 6 lines 5-29; Figures 2,3);

**Applicant's response**

Landry clearly fails to teach transmitting a modulated signal from the smart card, as claimed. Landry provides a card reader device 10, as shown in Figs. 2 and 3, which communicates with an authentication server to add funds to the card, among other transactions. Card Reader 10 includes; "a smart card reader/writer unit 22, micro-controller 24, modem circuit 26, a mode selection circuit 28 and an analogue front-end 30 that respectively support the required functionality of the smart card reader 10. An LCD display 32 provides a display surface for displaying status messages. Function keys 34 permit users to select pre-programmed functions. A power supply unit 36 connect to a power pack 38

provides operating current to the smart card reader 10. The connection of the smart card reader 10 with the handset 18 and base set 20 is through the analogue front-end 30.” (col. 5, lines 23-33)

Applicant argues that the card reader 10 of Landry reads from the smart card and the card reader modulates the signal before sending it to the authentication server via modem.

“The V.8 bis protocol supports signalling and messaging. Signalling is used to indicate when a V.8 bis transaction begins. The signals are composed of two parts: segment 1 and segment 2. Segment 1 is a precise dual-frequency tone that is sent to initiate a V.8 transaction and segment 2 is a single frequency that represents one of three commands: ES (escape signal), MR (mode request), CR (capabilities request). Messages are transmitted using V.21 300 bps modulation. Because the application server 12 is aware that the smart card reader 10 is V.8 bis compatible, the application server 12 does not need to send any request messages.” (col. 6, lines 7-17)

Applicant specifically claims “transmitting *from the smart card* at least an identification sequence for the user to an IVR server connected to a telephone line *in the form of a modulated signal*”. (page 3, lines 1-6) (italics added).

The Examiner also states Landry teaches demodulating the identification sequence at the IVR server (It is inherent that the signal is demodulated, as a modulated signal must be demodulated in order for the data to be useful and processed; also occurs at the IVR server (col. 5 lines 1-10) ).

Applicant argues that it is not inherent for the IVR in Landry to demodulate signals to send to the authentication server, as alleged by the Examiner. As pointed out above, the portions of Landry relied upon by the Examiner col. 5, lines 1-10 teaches only user entered info via the telephone is received by the IVR, the communications from the card reader and the authentication server are direct via modem (col. 10; 3. (d)).

The Examiner states; "However, at the time of the invention, Landry does not explicitly teach authenticating the user and the transaction at an application server receiving the demodulated identification sequence from the IVR server over a communication network wherein data processing required for generating, transmitting, and authenticating the user occur without data processing assistance from the card reader. This is taught in Kia though, such as in col. 4 lines 2936. Also, As taught in Landry, authentication and data processing are controlled by an application server, and the smart card reader is all being controlled by the server, which just relays information and acts as a gateway, as can be seen in col. 3 lines 30-50. As can be seen in Kia, the IVR in the gateway receives information and forwards it to the authentication server to process."

Applicant argues that Kia merely teaches a telephony system authenticating a user when making phone calls. The IVR of Kia receives input (PIN) from a user and forwards the info to the authentication server. Applicant claims modulating communication from the smart card to the IVR, wherein the IVR demodulates the signal and forwards it to the server. In this manner circuitry is not required in applicant's card reader, as it is in Landry.

The Examiner states claim 14 is rejected using the same basis of arguments used to reject claim 1 above. The rejection of claim 1 is clearly faulty, however. Therefore, the applicant believes method claim 1 and system claim 14 are both patentable over the art of Landry and Kia either singly, or in combination. Dependent claims 2-7 and 14-23 are patentable on their own merits, or at least as depended from a patentable claim.

As all of the claims are clearly patentable over the art applicant respectfully requests re-consideration, and that the case be passed quickly to issue. If there are any extensions of time required, such extensions are hereby requested. If there are any fees due, authorization is given to deduct the fees from deposit account 50-0534.

Respectfully Submitted,  
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